



THE ASSISTANT SECRETARY OF THE NAVY
Research Development and Acquisition
1000 Navy Pentagon
Washington DC 20350-1000

OCT 08 2004

MEMORANDUM FOR DEPARTMENT OF THE NAVY HEADS OF
CONTRACTING ACTIVITIES (HCA'S)

SUBJECT: INFORMATION TECHNOLOGY RELATED PROCUREMENTS

REF: (a) ASN (RD&A) memo of 19 Oct 2000
(b) ASN (RD&A) memo of 29 Dec 2000
(c) ASN (RD&A) memo of 18 Oct 2002

This memorandum supercedes requirements set forth in references (a) through (c). The Navy Marine Corps Intranet (NMCI) transition is well underway and Commands have been transitioning their current networks to NMCI. To ensure a continued smooth transition and to avoid the potential for duplication of expenditures for Information Technology (IT) capabilities that are available under the NMCI contract, it is essential that all Navy and Marine Corps contracting activities continue to monitor and control the award, modification, and use of other IT contracting vehicles. Therefore you are directed to:

a. Review all prospective IT procurements in excess of \$25,000 up to and including \$1,000,000 (over the life of the contract) including orders to be placed on existing contracts by activities under your cognizance. All contracts approved for award shall be reported to the NMCI Procuring Contracting Office (PCO) to be reviewed for possible inclusion in future NMCI contract modifications as appropriate.

b. Submit requirements statements for all such prospective procurements exceeding \$1,000,000 in value (over the life of the contract) to the NMCI PCO for technical requirements review. Requirements statements shall:

(1) be forwarded as soon as possible in order to prevent schedule based default decisions.

(2) provide justification of the timeline for the needed capability, and how the alternative contract will provide the capability faster.

(3) provide an acquisition plan for transitioning the procured capability to NMCI, as appropriate.

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c. Conduct such reviews prior to issuance of a solicitation, if feasible, but in any event, prior to purchase, modification, or award of a contract. The requirement for reviews shall remain in effect until activities have fully transitioned to NMCI.

d. Not award any new requirements-type contracts for IT capability (hardware, software, or services) that is available under the NMCI contract.

Specifically excluded from these reviews are purchases/orders:

- For local voice services.
- That deal with Top Secret or compartmentalized information.
- That involve cryptologic related activities as they relate to national security systems.
- For computer resources, both hardware and software, that are physically part of, dedicated to, and essential in real time to the mission performance of a weapons system or a shipboard system related to the IT for the Twenty-First Century (IT-21) effort. (Note: Shore-based embarkable/deployable workstations, portable computers, laptop computers, etc. are not included in this exemption.)
- For servers that are part of the navy enterprise initiative to consolidate servers and are subject to review by the Program Executive Office for IT (PEO (IT)) under that initiative.
- That are specifically described in an Acquisition Strategy approved by ASN(RDA) or higher level.

Reviews should ensure that prospective purchases/contracts are only for IT capabilities that are unavailable under the NMCI contract, and the proposed contract action(s) meet one to the following criteria:

- a. The HCA determined that specific hardware, software, or IT services are essential to successful execution of a command or program initiative and it is clearly needed before it can be delivered under the NMCI contract. The NMCI PCO must verify that the delivery schedule cannot be modified to accommodate this need; or
- b. The proposed contract action(s) is (are) for IT services for which the period of performance will expire before the requiring activity transitions to NMCI (or within a reasonable time thereafter, as agreed to by the NMCI government management office and the requesting official).

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Review authority may not be delegated below the level of the Commander of the HCA.

Since there is no firm transition plan for activities outside of the continental United States, reviews are waived until six months prior to the scheduled NMCI transition date.

In any case, all applicable IT procurements should be evaluated prior to release for competition or award to ensure resulting contracts for IT services do not find the Government for long periods without an appropriate exit strategy that will accommodate future NMCI implementation. Similarly, requiring and contracting officials should ensure that procurement of IT infrastructure is limited, to the extent feasible, to current and future short-term needs rather than longer term major growth requirements, which may ultimately become available under the NMCI contract. Although the NMCI contract does not contain priced items related to support of improvement of legacy systems and other services, the contract does include provisions allowing the NMCI contractor to perform such efforts. To use this feature of the contract requires the submission of a statement of work to the contractor, who in turn prepares a separately priced item for consideration by the contracting officer. The NMCI contractor is not a mandatory or preferred source for such requirements. Selection of a contractor should be based upon the best value to the Government.

In reviewing a purchase for potential duplication with capabilities available under the NMCI contract, the NMCI PCO should be consulted as a source of information regarding NMCI capabilities and their availability. The NMCI Director's Office may also be consulted concerning the latest version of the DON approved implementation plan and NMCI execution schedule. Questions regarding this policy should be directed to DASN (Acquisition Management).



John J. Young, Jr.

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